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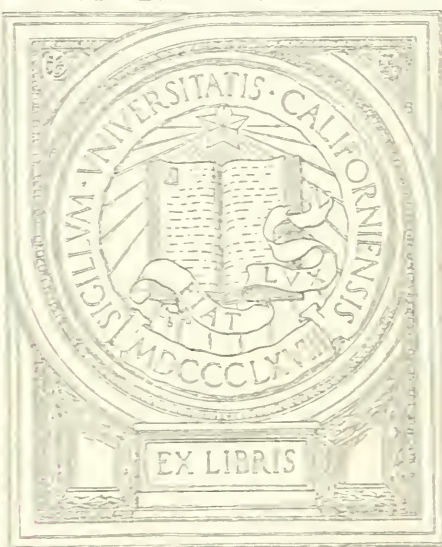


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The Commerce and Prospects of
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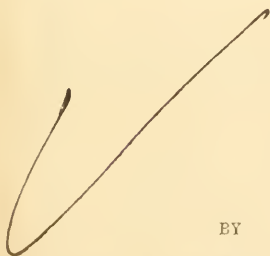
THE COMMERCE AND PROSPECTS OF ENGLAND,

AND A

REVIEW

OF THE

Agricultural, Iron, and Cotton Trades.



BY

E. GARNET MAN,

OF THE MIDDLE TEMPLE, BARRISTER-AT-LAW, LATE GOVERNMENT ADVOCATE BRITISH BURMAH
SPECIAL CORRESPONDENT OF THE "TIMES" DURING THE PERAK WAR, AND
FELLOW OF THE STATISTICAL SOCIETY.

LONDON:
WILLIAM RIDGWAY, 169 PICCADILLY.
1880.

Price Sixpence.

LONDON
G. NORMAN AND SON, PRINTERS, 29, MAIDEN LANE,
COVENT GARDEN.

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PREFACE.

I pretend to no originality in these pages. Actuated by a spirit of inquiry, I have culled from Mr. Giffen's able reports in the Statistical Society's Journals—from Mr. Mongredien's Free Trade pamphlet—from the Board of Trade Reports, and from *The Times*, *The Standard*, *The Colliery Guardian*, and other sources,—sufficient data, to warrant my giving a sketch of the state and prospects of the trade of this Empire.

It may be, that my statistics may be proven erroneous, and my inferences fallacious ; that the future prospects of this country may justly be painted in a more roscate hue than in these pages delineated. If it should thus happen, I shall rejoice as an Englishman naturally interested in the welfare of the land of his birth and in the commercial greatness of his country.

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CHAPTER I.

STATE OF OUR EXPORTS AND IMPORTS TO JUNE, 1880.

THIS country is now said to be slowly recovering from a commercial depression of unusual severity, extent, and duration. The evil, however, may not be unattended by countervailing good, should it lead to such an investigation, as may enable us to trace the latent causes of distress.

I lately had occasion to travel in England, and over a portion of Ireland. During my tour, I was everywhere greeted with the same tale of depression of trade, and with gloomy forebodings for the future. All classes seemed to join in the universal cry : "That the trade of the country was going to the dogs." So I determined to judge for myself, and to ascertain, if possible, whether these complaints were well-founded ; whether there was now a re-action ; and whether the causes which had led to the alleged depression were permanent or merely transitory. The result of my investigations are condensed in this slight sketch.

Some perhaps, may read it, who might otherwise be deterred from perusing long columns of dry statistics, and may turn their attention, to a subject of paramount importance to all interested, in the prosperity and welfare of this Empire.

That there has been a great depression; no one can deny; that—aggravated by bad harvests, this depression has extended over five or six years is patent, and that—the re-action long hoped for, and said to have arrived at the end of 1879 and commencement of 1880, has disappointed the hopes of the sanguine is also generally allowed.

The statistics of the Board of Trade show that with the exception of the years 1871, '72, and '73, we had up to 1879, in the last eighteen years, imported goods to the value of £322,000,000 over those exported. Out of this amount, £231,000,000 represent the excess on the four years of 1875, '76, '77, and '78, alone.

We exported in 1875, £223,000,000; in 1876, £200,000,000; in 1877, £198,000,000; in 1878, £192,000,000; in 1879, £191,000,000, which shows a steady and alarming decrease.

Ninety-two per cent. of these exports, consist of manufactured goods, and only eight per cent. of raw produce, of which two-thirds consist of coal, coke, and iron. It is then more particularly with regard

to manufactured articles and iron, that the reader's attention is requested.

It is not suggested, that because the Imports exceed the Exports that the country, is by that difference, so much the poorer. For the country, by its very wealth, has been able to advance loans to foreign States, and they repay the interest not in specie but in goods. In fact, no large international payments are ever wholly made in specie. Even the French indemnity to Germany was paid thus :*

French gold and silver	. . . .	£6,400,000
Bank Notes, French and German	. .	8,200,000
Bills of Exchange on Belgium and Holland		16,000,000
„ „ Germany	. .	40,000,000
„ „ England	. .	24,000,000
		<hr/>
		£94,600,000

In such a transaction as the above, we see that hardly one-sixteenth of the whole amount was paid in specie ; and it would naturally be supposed that as we apparently bought more by £322,000,000 than we sold, that we would have had to pay a portion of this in specie, and that our export of specie to pay for the same would exceed our imports. But such is not the fact, for we have actually received from abroad, during

* These statistics are taken from A. Mongredien's Free Trade pamphlet and the Journals of the Statistical Society.

a series of eighteen years, an excess of specie amounting to over £92,500,000.

Again, when those exports are taken into consideration and analyzed, it will be found that a large amount of the decrease is owing to a depreciation in the money value of the goods exported, or, in other words, to a decline in prices.

The average decline of price in our exports may be taken, at about 23 per cent. Mr. Mongredien, in his able treatise on Free Trade, written in 1879, says: "He arrives at the conclusion, that since 1861, the average price of commodities (*after rising for some years*) has again fallen, and is now $22\frac{1}{2}$ per cent. below the average of that year, and $30\frac{1}{2}$ per cent. below the high figure which it had reached in 1872.

Mr. Giffen in his paper read before the Statistical Society on the 21st January, 1879, calculates that the average fall of prices is about 24 per cent., as deduced from the declared quantities and values in each year, from 1861 to 1877, and that prices in 1879 were at a much lower level, than they were after the depression of 1865.

Mr. Giffen goes on to say; that the exports of British and Irish produce, show a falling off in total value, between 1873 and 1877, of about 22 per cent.; and between 1873 and 1879 of 25 per cent.

The Exports in 1873 were	.	.	.	£255,165,000
Do. 1877	.	.	.	198,893,000
Do. 1879	.	.	.	191,504,000

There has been a diminution in quantity as well as in price, but allowing for argument, that the quantity of goods exported, has been the same, but the price has fallen, we arrive at this conclusion,—That the country is at a stand-still, and this notwithstanding the steady increase of population.

Our manufacturers and traders are producing the same amount of goods with their profits diminished at the rate of 23 per cent. It has been to meet this loss, that wages have been lowered; but taking into consideration all the circumstances of cheapened raw material, wages, &c., there is no doubt, but, that our trade is now carried on, at a seriously decreased margin for profit, and in many instances, at a positive loss. But there has been in reality a decrease, not only in price, but in quantity.

Besides the Board of Trade Returns, to which further reference will be made, the following extract from the *Times* of June 10th, 1880, fairly and ably portrays the hopes, that had arisen and the natural disappointment felt from those hopes proving fallacious.

“The Trade and Navigation Returns for May show a considerable slackening in the activity of our

manufactures and our commerce. It may be that this is only a temporary abatement of a recovery that was for a time unduly stimulated, yet it must be confessed that it is in some degree a disappointment. It seemed as if the long depression of trade had passed away. The new life infused in it came, indeed, almost wholly from one quarter, but we had hopes it would endure. The prosperity of the agricultural States of the American Union proved our gain in a double fashion. But the effect of these causes of reviving prosperity has now suffered some arrest. The exports of the month of May show a falling-off from the exports of the previous month, and we might almost think that the wave of *prosperity was passing away as it came*. This deduction might be true, were it not that other causes of recovery promise to be soon operative to supplement and maintain the improvement derived from, &c. &c.”—

“If, for example, we look at our exports of cotton manufactures, we find that last year they amounted to £3,900,000 in April and to £4,191,000 in May—an increase of no great importance, but sufficient to eliminate from the comparison any suggestion that the trade has seasonable variations. This year the exports of cotton goods reached £5,300,000 in April, and fell to £4,709,000 in May—a decline where we at least have hoped for a steady trade. The other great

branch of industry we are led to consult is that of iron, the leading representatives of which were received yesterday at the Foreign Office by Lord Granville, and stated their case for more favourable consideration in the renewal of the Commercial Treaty with France. In this trade we find the same lesson. In April of last year the export of iron was not very considerable (£1,481,000), but increased in May (£1,814,000), while in April of this year it amounted to £3,203,000, and fell last month to £2,655,000. We might give further illustrations of the same truth, but enough has been quoted to show that during recent weeks there has been a reversal of the progress we had witnessed in the earlier part of the year."

CHAPTER II.

THE AGRICULTURAL, CORN AND CATTLE TRADE.

THE Agricultural interest may be considered to represent, about one-tenth of the trade of the country. Mr. Chaplin asserted in the House of Commons, that 2,700,000,000 of money was credited to agriculture and the population dependent upon it, could not be computed at less than ten or twelve millions of people.

A succession of bad harvests for the years 1875, 1876, 1877, and which culminated in 1879, has mulcted the agricultural interest of over thirty millions a year, at the most moderate calculations. But such a loss cannot solely account for the present plight of the farmers. It is true, that a deficient harvest is a diminution of national wealth to the amount of the deficiency. In fact, corn imported not in the ordinary course of trade, but in order to make good the deficiency of an unfavourable season, may be regarded as being paid for twice over. And although an increased importation of foreign corn equivalent to the diminution in the home supply, may prevent the price of corn from rising to the consumer, it cannot prevent a loss of wealth to the country, and that loss falls more directly upon the agricultural interest. What, then, must that loss have been when we have to record five bad harvests? It

is ominous for the farmers that despite bad harvests the price of corn has not proportionately risen to recoup them, for the deficiency in quantity. America has intervened with her boundless resources, facilitated by cheapness of transport, and poured in from her granaries sufficient to supplement the deficiency in England, and to keep down the price of corn. The following table will explain this :—

Estimated Consumption and Home and Foreign Supply of Wheat for the United Kingdom.

Harvest Year, 1st Sept. to 31st August.	Home Produce Available for Consumption.	Imports of Wheat and Flour, De- ducting Exports.	Total Available for Consumption.	Average Price of British Wheat for 12 Months, 1st July to June 30	
	Quarters.	Quarters.	Quarters.	s.	d.
1866-67	11,440,000	7,600,000	19,040,000	58	0
'67-68	10,390,000	9,010,000	19,400,000	69	3
'68-69	15,790,000	7,880,000	23,670,000	51	8
'69-70	12,490,000	9,580,000	22,070,000	45	11
'70-71	14,100,000	7,950,000	22,050,000	53	5
'71-72	11,970,000	9,320,000	21,290,000	55	3
'72-73	10,110,000	11,720,000	21,830,000	57	1
'73-74	10,550,000	11,230,000	21,780,000	61	3
'74-75	13,700,000	11,640,000	25,340,000	46	4
'75-76	9,124,000	13,940,000	23,064,000	46	3
'76-77	9,665,000	12,156,000	21,821,000	55	3
'77-78	9,432,000	14,508,000	21,940,000	54	0
'78-79	11,825,000	14,417,000	26,242,000	41	10
'79-80 ...	5,990,000	18,000,000 ?	24,000,000 ?	—	
Mean of 13 years }	11,583,000	10,842,000	22,425,000	53	6

The mean of thirteen years ending 1878-79 shows an annual home production of 11,583,000 quarters and imports 10,842,000 quarters, making the total mean consumption of wheat 22,425,000 quarters. While our home production has fallen off 28 per cent.—comparing the first five with the last five years (in fourteen years ending 1879), the imports have hugely increased. In the first five years we imported on an average 8,404,000 quarters ; but in the last five years (ending 1878-9) the quantity averaged 13,332,000 quarters per annum, or an increase of over 58 per cent. In the last two years we imported 14,508,000 and 14,417,000 quarters.

It is calculated that every third loaf we have on our tables is made from American flour. And we are putting into the pocket of the American, that which has been taken out of the pocket of the English farmer. It is true, that by the price of corn being kept down, the public at large is benefited. Yet, it is to be recollected, that depression in one trade, causes depression in others. The farmers are now unable to spend as they did formerly ; their operations are curtailed ; money does not circulate so freely, and although the public get their bread cheaper, the farmer's loss is brought indirectly home to them in various ways. As Mr. Chaplin says, "It is impossible not to perceive that the income and fortunes of all the tradesmen, shopkeepers, men of business, mechanics, and others, as well as those whom

they employed, residing in the rural capitals of agricultural counties, were intimately bound up and connected with the property of agriculture."

But even with favourable harvests, the farmer can hardly now compete with American corn, and nothing portrays this clearer, than the fact, that the corn cultivation in England has decreased as much as half a million of acres, in the last five years. There has been a reduction in the wheat area of 10 per cent., and of the yield by 37 per cent.

Next to the corn trade, the cattle trade may be considered the most important to the agriculturist; but here again, foreign competition is placing the English farmer at a disadvantage. It might be said, let him drop corn growing and take to cattle breeding, but what a change has come over the spirit of the dream since 1843. In that year the thin end of the wedge was inserted which has now nearly ruined the trade. I extract the following from the *Times* of December 5th, 1843.

"SMITHFIELD-MARKET, Monday, Dec. 5.

"The effects of the new tariff are beginning to show themselves more and more; the places of exports have increased both in number and distance. Until to-day the foreign cattle imported into England has been entirely confined to the continent, but now it will be

found that the most distant shores have contributed to the market. The number so received, however, is on the smallest scale, yet not the less interesting as coming from Lower Canada and from the East Indies. The official account on which the duty has been paid for the week ending the 3rd inst. gives the following result:— 3 cows from Rotterdam; 1 ditto from Quebec; 1 ditto from Montreal; 1 ditto from St. John's, New Brunswick; 1 bull from Calcutta—making a total of seven head. The number at market to-day was about five, all of which were of a very bad quality, and commanded little or no attention. The prices realized for three were perhaps lower than on any former occasion.”

There were imported from America, 299 cattle in 1875; 380 in 1876; 11,523 in 1877; and 20,733 in the first five months of 1879.

From this it will be seen how the import cattle trade has increased by leaps and bounds, and how hard it must be for the farmer to struggle against the advantages that America possesses in her boundless prairies, upon which no rent is paid, and where many herdsmen own 75,000 head of cattle, costing them but £1. 5s per head to breed and raise, and which can be landed in England at an average freight of £2. 10s or £3 per head.

Australia is also attempting to send her meat into the market, but it is too early yet to count upon any serious opposition from that country.

The following table will give an idea of the increase in the value of import as regards cattle, &c. from 1859, to 1879.

TABLE E.—*Population* of the United Kingdom and Value of Imports of Live Stock, Corn and Grain, and various Kinds of Dead Meat and Provisions in each of the Years 1852 to 1878, and Proportion per Head of Population.*

Years.	Population* of the United Kingdom, Estimated at the middle of each Year.	Imports.				
		Live Cattle Sheep, and Pigs.	Corn, Grain, and Flour.	Dead Meat and Provisions.	Total.	Value per Head of Population.
	No.	£	£	£	£	£ s. d.
1859..	28,590,224	1,634,766	18,044,203	4,680,629	24,359,598	— 17 —
'60...	28,778,411	2,117,860	31,676,353	8,076,304	41,870,517	1 9 1
'61...	28,974,362	2,211,969	34,922,095	9,151,078	46,285,142	1 11 11
'62...	29,255,015	1,888,236	37,774,148	10,630,734	50,293,118	1 14 5
'63...	29,433,918	2,655,072	25,956,520	10,841,324	39,452,916	1 6 10
'64...	29,628,578	4,275,322	19,882,181	12,157,010	36,314,513	1 4 6
'65...	29,861,908	6,54,8413	20,725,483	12,667,838	39,941,734	1 6 9
'66...	30,076,812	5,839,058	30,049,655	13,483,715	49,372,428	1 12 10
'67...	30,334,999	4,148,382	41,368,349	12,489,331	58,006,062	1 18 3
'68...	30,617,718	2,698,496	49,432,624	13,227,683	55,408,803	1 16 2
'69...	30,913,513	5,299,087	37,351,089	15,189,933	54,840,109	1 17 5
'70...	31,205,444	4,654,905	34,170,221	14,773,712	53,598,838	1 14 4
'71...	31,513,442	5,663,150	42,691,464	16,593,668	64,948,282	2 1 3
'72...	31,835,757	4,394,850	51,228,816	18,604,273	74,227,939	2 6 8
'73...	32,124,598	5,418,584	51,737,811	23,854,967	81,011,362	2 10 5
'74...	32,426,369	5,265,041	51,070,202	25,224,958	81,560,201	2 10 4
'75...	32,749,167	7,326,288	53,086,691	25,880,806	86,293,785	2 12 8
'76...	33,093,439	7,260,119	51,812,438	29,851,647	88,924,204	2 13 9
'77...	33,446,930	6,012,564	63,536,322	30,144,013	99,692,899	2 19 7
'78...	33,799,386	7,453,309	59,064,875	29,478,065	95,996,249	2 16 10
'79...	34,000,000	7,070,892	60,596,389	31,402,080	99,068,851	2 18 3¼

*Exclusive of the army, navy, and merchant seamen abroad.

CHAPTER III.

THE COTTON AND IRON TRADE.

It is in the memory of many, how England obtained her first supremacy in machinery, how hand-looms and spindles gave way to steam, and how this country became the manufactory of cotton goods for the world. The hand-looms of India and elsewhere could not compete with the steam machinery, and England had it all her own way.

England was the first in the market with her inventions. Her engineers were the most renowned and the greatest in the world.

She was enabled to obtain her cotton from other countries, generally in her own ships, the freights gave profits to the ship owners, and on the produce arriving at her ports the cotton was sold and worked up into piece goods, &c., whereby thousands of factory hands were fed and clothed, and millions of pounds spent in wages in the manufacturing districts.

A large amount of cotton was re-exported in its manufactured state and sold in the markets of America,

China, India, Burmah, and elsewhere, giving a profit to the manufacturer and shipper, who speedily became "merchant princes." We have not heard so much of these princes of late years. Thus the time of prosperity culminated in Manchester about the American War. Manufacturers then, instead of husbanding their resources, spent their quickly-gained profits, in increasing their spindles, without reckoning upon the inevitable which has now come to pass.

In America and India thinking men with capital had watched the progress the cotton trade was making, and it was naturally suggested—Why should we send our cotton across the sea to the machinery to get it back worked up into piece goods, when we could bring the machinery to the cotton? Consequently, year by year, mills have arisen near the cotton fields. Overseers and managing men, cognizant of the secrets of the trade, have been imported from England, bribed by the promise of large salaries. The natural result has been obtained—that cotton, of local manufacture, competes in India and America with the English manufactured article, plus the advantage of not having to pay two freights, and the incidental charges thereon, and also aided by the fact (particularly in India) that cheap labour is thrown in the scale, against the strikes and heavy wages of the Lancashire operatives.

To give some idea of the competition that has arisen against the cotton manufacturers in this country, I may state, that in Bombay alone, mills working 948,000 spindles have been started since the American War. In the coarser fabrics the monopoly of Manchester has gone, and she must rest content with lessened profits and endeavour to keep her monopoly with the finer fabrics, in which she still holds a supremacy over the other manufactories of the world.

America is running her close in the other markets, and the City of Glasgow Bank shareholders are now paying for the experience, which Manchester ought to have by that time gained. For out of the millions that were then sunk the major portion has been lost in the Indian trade. Goods were sent out to India and drawn against. As the bills became due, they had to be renewed, and this went on until the goods had to be sacrificed and sold at a ruinous loss. It was merely a question of time as to how long such a state of affairs could last, and it finally culminated, in the collapse of firms like Colley and Co. and of the City of Glasgow Bank. Added to this, manufacturers have weighted their goods with sizing, until confidence in their marks has been destroyed in the foreign markets. I have been present at the opening of a bale of piece goods in Burmah, and the bystanders were sent into

fits of sneezing, by the clouds of white dust which had emanated from the parcel.

The following shows the decrease of exports to the East in 1877, '78, and '79.

There was exported of cotton yarn and twist—

1877.	227,651,000 lb.	valued at	£12,192,000.
1878.	250,631,000	„ „	13,017,000.
1879.	233,770,000	„ „	12,102,000.

There were also exported piece goods of all kinds amounting to,—

In 1877.	3,837,820,000 yds.	valued at	£52,442,000.
„ 1878.	3,618,665,000	„ „	48,104,000.
„ 1879.	3,718,138,000	„ „	46,836,000.

Total of all cotton manufactures, including lace, hosiery, socks, threads, and other manufactures —

1877.	£57,035,000.
1878.	52,918,000.
1879.	51,843,000.

If we take the five months of 1880, with the five months of 1879, 1878, we find the exports as follows :

Total exports of cotton yarn and twist in lbs. were in—

1878	. .	101,403,700	. .	In value	. .	£5,216,567
1879	. .	94,963,800	. .	„	. .	4,702,492
1880	. .	77,532,500	. .	„	. .	4,488,235

If we take cotton manufactures of all descriptions, and compare the five months of the present year with the five months of the last two years, we find that there has been an increase in the sales of over two millions of yards, giving an excess of over four millions of pounds in value over 1879. In iron and steel there is an excess of over five millions, but in woollens and silks a decrease, and, taking the whole declared value for the five months, we find as follows:—

EXPORTS.		IMPORTS.	
1878	. . £79,568,762	1878	. . £160,986,751
'79	. . 74,242,953	'79	. . 144,872,943
'80	. . 89,170,852	'80	. . 173,323,060

“The deliveries of raw cotton to all Europe,” according to Messrs. Ellison’s circular, “amounted to 2,136,866,000 pounds in 1878-79; but the total, as long ago as 1870-71, was 2,164,724,000, and this has been exceeded in several years in the interval. In Great Britain alone the deliveries were 1,110,212,000 pounds.

Average of 1870-74	. . . .	339,000,000
“ — ’75	. . . .	351,000,000
“ — ’76	. . . .	369,000,000
“ — ’77	. . . .	373,000,000
“ — ’78	. . . .	352,000,000
“ — ’79	. . . .	319,000,000

“ These figures seem even more striking to us than those of iron and cotton. The pause in production must have been serious at the last.

“ Still it is remarkable to notice in so many of the trade circulars the reference to a diminished production of the raw material as having come to a climax in 1879.”*

The production of tea seems to have now exceeded the consumption, if we may judge from the reports on that product, at the present time, *20th June*, 1880. There appears to be a steady decrease in exports to Italy, Austria, Holland, France, and Germany.

Although the first three months of 1880 show a reaction, yet, taken with the next two months, April and May, and with the *Times* article, referred to at page 5, I am led to consider, that the reaction has not set in, which would warrant a very hopeful forecast for a great revival of trade.

If we turn our attention to the iron trade, we find that there has been a decrease in our production since 1872, and depression and want has accordingly reigned in the iron districts. It was but in April last, that I travelled from Holyhead to London and saw the blown-out furnaces and deserted iron

* From the *Statistical Society's Journal*.

works adjacent to the line—gaunt and dumb witnesses of the throes through which the iron trade has passed. I gather from the *Standard* of May 15th, that in South Staffordshire alone, there were but thirty-five furnaces remaining in full blast out of 143 built.

In the first nine months of 1879 the production of iron had fallen below the production of any year in the same period since 1870. An admirable chart, showing the exact position of the trade since 1830, has lately been published by W. G. Fossick, Cannon Street, City, and I would refer those interested in the trade, to it for information.

There was a re-action in the commencement of 1880, but this may partly be attributed to speculative operations, and to the fact that the Americans had blown out their furnaces, and were overtaken by a sudden demand without having made preparations to meet it. Prices have, however, since fallen, and a perusal of the reports from all the iron centres in the *Colliery Guardian* of June 18th, 1880, will show that although the trade is improving, yet there is no great healthy rebound, sufficient to warrant the suggestion, that there will be a proportionate swing of the pendulum towards prosperity. I extract the following from the *Globe* of June 30th, which shows

a state of facts hardly conducive to a belief in the great alleged re-action:—

“The colliers in the employ of Messrs. Stainer and Co., at Silverdale, North Staffordshire, this morning resumed work at a reduction of 10 per cent. Two more iron furnaces belonging to Messrs. Robert Heath and Son, at Ford-Green, have been blown out, and 100 more men paid off.”

The Americans are credited with having 697 furnaces, capable of producing 6,500,000 tons of iron annually; and as their country gets older, there is every probability of their being able to supply themselves with that commodity without our aid.

Our production of iron from 1871 to 1879 is given below. It appears that the trade has become stationary. It had reached its highest production in 1872, and then sunk to 6,200,000 in 1879, and yet the population has been increasing.

	Tons.
1871	6,627,000
'72	6,742,000
'73	6,566,000
'74	5,991,000
'75	6,365,000
'76	6,555,000
'77	6,608,000
'78	6,381,000
'79 (estimated)	6,200,000

The figures tell their own tale. Production, it is

clear, must have sunk to a very low ebb at the beginning of last year, as for the whole year it is still more than 10 per cent. less than the average of 1872-73, and considerably less than the average of years like 1876-77, which were undoubtedly years of depression.

I extract from the Board of Trade returns the quantities of iron exported for 1877, '78, '79. The last three months of the year 1879 are pointed out as the era from which the long wished-for reaction may be dated, and the exports in those three months have brought up the average of the year to an excess over 1877 and 1879. But the value has not increased in a ratio with the quantity.

Exports of Iron of all Description, including Wire.

TONS.	PRICE.
1877. 1,678,000	£9,676,000
1878. 1,628,000	7,997,000
1879. 1,959,000	8,070,000

Our exports to Germany and to other parts of the Continent have been decreasing yearly. This may be partly owing to the universal depression that has been felt all over the world, but also to the fact that there is an increased production on the Continent ready to supply the home market.

Our workmen's strikes have greatly assisted Belgium, Germany, and America to compete with us in other

trades. Girders are now rolled in Belgium cheaper than we can roll them here, and I have been told that there is a bridge near Middlesborough made of Belgian iron. Window-sashes, door-frames, &c., have been made up in Belgium and America for England. In fact, all the internal fittings of houses are now shipped over to England, ready-made, at a price much less than the same can be supplied in this country.

A glance at the Board of Trade returns will show the same proportionate results in other trades. But with the beginning of this year there has been a slight turn for the better, and, summing up the results, it can safely be said, that for the last seven years there has been a heavy cloud over the trade of this country, and that the cloud has been further darkened by an unprecedented run of bad harvests. Through the mist, however, a slight glimmering of the silver lining has become apparent ; may Providence grant that the cloud be entirely dispersed and the country allowed once more to bask in the sunshine of prosperity. There is nothing, however, at present to warrant very sanguine hopes on that score.

A succession of good harvests may stay an efflux of money from the country, and thereby benefit not only the agriculturist, but the whole bulk of the people. It cannot, however, do more ; but the permanent causes of

depression in trade in England may be summed up, as follows:—

The destruction of the monopoly which England has hitherto held as a manufacturing country. The facilities now given for cheap transport from one country to another.—The luxury which years of peace and prosperity have engendered amongst the people.—The strikes of the workmen and the diminution in their hours of toil. The old feeling of sympathy which once linked class to class has died out. Loyalty to the employer has given place to a kind of “uppishness” in the lower classes, as if there were a desire on the part of the employed to assert that “Jack was as good as his master,” and a determination to perform as little work as possible for him. The old manners have been doffed with the smock frock which was once the characteristic garb in all the country villages, but which is now a thing of the past. At the same time, country squires who used to live at their country seats and mix with the people, while their wives and daughters acted as “the Ladies Bountiful” amongst the villagers, now take their families to town and to the sea-side. The intercourse between the agricultural labourer and the squire and his family is narrowed or entirely done away with, to the detriment of both. Manufacturers, whose fathers hardly ever quitted their mills or their

country houses, now must have a house in London, and live up to and often beyond their means, believed to care little as to the state of those who work for them, and feeling sore against their employés for striking whenever they see prices rising, and for attempting to get as much as they possibly can by fair means or foul out of them. Drunkenness is also making fearful strides, and as wages have increased—with a want of thrift peculiar to the English—the money earned has been squandered.

But it is not the working class of England alone who are to blame. Luxury, a desire for show, and a general living beyond their means, is emasculating the middle class.

Last winter letters appeared in the papers, complaining that feet warmers were not allowed in third-class carriages. I was travelling with a retired Indian officer when one of these letters appeared, and he stated, that when a boy he travelled with others outside the mail coach, in the depth of winter from London to Exeter and neither he nor his companions complained, although they had nothing but straw for their feet. What would be said now of the hardships of such a journey? The very style of domestic architecture bears evidence of the ostentation now prevailing. Comfort is sacrificed to big reception rooms for guests, who spend but a short time there,

while the bedrooms are small and dark, and the servants' quarters are either damp cellars in the basement or wretched attics in the roof.

First of all the nation accumulated wealth by a lucky concatenation of circumstances;—A long era of peace ensued while others were at war. Inventions and discoveries in steam and manufacture gave an impetus to her trade, and threw capital into the country. Then her children went to all parts of the world, and toiled and amassed fortunes, and returned with their wealth to inhabit those palatial mansions, which have arisen within the last twenty years, in the vicinity of the Marble Arch. But fortunes are not made in the East nor in the West, as they were wont to be made when those houses were built. An Indian nabob is now a thing of the past.

In short, this country may be said to derive her income from two sources,—from the interest on her capital lent to other countries, and from her exports. She is living now on her interest from her foreign loans. Her exports do not keep her.

Extensively engaged in foreign trade, and lately exposed to distress and vicissitudes from distinct and dissimilar sets of causes—I merely reiterate what has been often said before—she is suffering from deficient

harvests, a diminished demand for finished goods, derangement in the currency, and changes in the accustomed channels of industry. But deeper causes of decline may be slowly, imperceptibly, and fatally at work.—Alterations in the leading channels of communication, such as the Suez Canal, foreign inventions, the discovery in other countries of less costly means of obtaining some important material or implement of reproduction, the acquisition by rival States of superior efficacy in the application of labour, and hostile combinations in the shape of protection.—These causes may now, as formerly, lead to those revolutions in the commercial world, those subversions of industrial centres, of which Carthage, Venice, the Italian Cities, and the Republic of Holland, have been successively the victims.

But, beyond this, amidst all our boasted civilization, the religion, honour and probity of the people seems decreasing. Wealth has weakened their backbone. Expediency seems to be the rule of the day. A desire to grow rich has seized upon the peer as well as the peasant. The old respect for blue blood, foolish and snobbish as it is thought by some to be, was better than the present worship of Mammon; for in the latter vortex the aristocracy and the middle class are now merged and mingled together, to the detriment of

both. The taint of expediency has debauched and weakened the moral characters of those in commerce, but worse still, of those who should be the leaders of the nation.

We have lately seen one whose gigantic intellect, all must acknowledge, stumping the country, and, introducing the worst phases of American political life into English political warfare. We have seen a religious and highly respected Nonconformist, urging his co-religionists to vote for one, who denies the existence of a deity, and for what?—To turn one set of Englishmen out and to put another set of Englishmen into power, for at the most seven years;—and the justification is,—on the ground of party expediency. In fact the holding out the hand of fellowship to one who denies the Saviour is an acquiescence in that denial;—It is making a seven years' lease of power of greater value than religious consistency or fealty to God—"ex uno disce omnes." If such are the leaders of the nation, what can the body of the people be like. It is, as the advance of Atheism, merely a sign of the times, the small cloud gathering for trouble in the future.

Has not the reader noticed, how in the days when England was making for herself the noble position she has since attained amidst the nations of the world, and laying the foundation of her commercial great-

ness, now shaking to its base—has not the reader noticed how deep was the respect evinced for God and religion, by those old British merchants, the founders of such greatness? Fanatical and bigoted they might have been, but their steadfastness and religious fervour shines out from the dim vista of the past, like the last rays of the setting sun, as it gilds the placid ocean on a summer's night. I do not intend to judge other men, and I do not argue as to the truth or falsehood of divine revelation. I assert, however, that the propagandism of infidelity is fast telling its tale upon the masses, upon those who are becoming the arbiters of the fate of the nation. Religion may be a superstition, but it teaches the highest code of honour between man and man. It is most important for the commercial greatness of a nation that there should be such a high standard of morals, but I fear that religion is fast losing its hold upon the people. Expediency will not keep men honest. The word of an Englishman was once considered as good as his bond. His goods were as a rule, unadulterated, and he was trusted in foreign countries. But is it so now?

Infidelity and a general sacrificing of principle to expediency is a rock ahead for England's commercial greatness. But,—It was in the Englishman, 'such as God made him in this island, that the moving cause of

the commercial pre-eminence of the country was to be found, and his title to that pre-eminence may still be secured, if he can in himself but be preserved, or even rescued from degeneracy and atheism.'

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